



DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Parts 1753 and 1755

RIN 0572–AC29

New Equipment Contract for Telecommunications and Broadband Borrowers

AGENCY: Rural Utilities Service, USDA.

ACTION: Request for comments.

SUMMARY: The Rural Utilities Service (RUS), a Rural Development agency of the United States Department of Agriculture (USDA), is requesting public comments on streamlining the Agency's contractual process for equipment procurement by replacing type-specific Equipment Contracts, RUS Forms 397, 398, 525, 545, and the associated documents (Forms 231, 396, 396a, 397b, 397c, 397d, 397f, 397g, 397h, 517, 525a, 744, 752a, 754, and addenda) with a new, unified Equipment Contract, RUS Form 395 and the associated close-out documents (Forms 395a, 395b, 395c and 395d).

DATES: Comments, electronic and/or paper, must be received by [INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER] to be assured consideration. Late comments will not be considered.

ADDRESSES: Comments may be submitted by one of the following methods:

- Federal Rulemaking Portal at <http://www.regulations.gov> . Follow the on-line instructions for submitting comments on this final rule with request or comments.
- Postal Mail/Commercial Delivery: Please send your comments addressed to Thomas P. Dickson, Acting Director, Program Development and Regulatory Analysis, Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Avenue, STOP 1522, Room 5164, Washington, D.C. 20250-1522.

All comments submitted in response to this document will be included in the record and will be made available to the public. RUS will make the comments publicly available online at: <http://www.regulations.gov>. Additional information about Rural Development and its programs is available on the Internet at <http://www.rd.usda.gov>.

How to Obtain a Copy: To obtain a copy of the proposed new RUS Form 395, Equipment Contract, use one of the following methods:

- Internet at the following Web site: http://www.rd.usda.gov/files/UTP_form_395.pdf
- E-mail / Postal: By contacting the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

FOR FURTHER INFORMATION CONTACT: Aylene Mafnas, Chief, Engineering Branch, Policy and Outreach Division , Rural Utilities Service, Telecommunications Program, U.S. Department of Agriculture, STOP 1599, 1400 Independence Ave., SW, Washington, DC 20250-1550, Telephone number: (202) 690-4673.

SUPPLEMENTARY INFORMATION:

Background

Rural Development is a mission area within the U.S. Department of Agriculture comprising the Rural Utilities Service, Rural Housing Service and Rural Business/Cooperative Service.

Rural Development's mission is to increase economic opportunity and improve the quality of life for all rural Americans. Rural Development meets its mission by providing loans, loan guarantees, grants and technical assistance through more than 40 programs aimed at creating and improving housing, businesses and infrastructure throughout rural America.

The Rural Utilities Service (RUS) loan, loan guarantee and grant programs act as a catalyst for economic and community development. By financing improvements to rural electric, water and waste, and telecom and broadband infrastructure, RUS also plays a big role in improving other measures of quality of life in rural America, including public health and safety, environmental protection, conservation and cultural and historic preservation.

In order to continue to facilitate the programmatic interest of the Rural Electrification Act of 1936 (the "RE Act"), as amended (7 U.S.C. 901 *et seq.*), that loans and loans guaranteed by RUS are adequately secured, RUS has established the use of certain standardized forms for materials, equipment, and construction of electric and telecommunications systems. The use of standard forms, construction contracts, and procurement procedures help to assure that appropriate standards and specifications are maintained by the borrower in order to not adversely affect RUS's loan security, and ensure that loan and loan guarantee funds are effectively used for the intended purpose(s).

RUS may, from time to time, promulgate new contract forms or revise or eliminate existing contract forms. In so doing, RUS is required by 7 CFR 1755.29, to publish a notice of rulemaking in the *Federal Register* announcing, as appropriate, a revision in, or a proposal to

amend § 1755.30(c), *List of telecommunications standard contract forms*. On February 12, 2014, RUS published a proposed rule in the *Federal Register*, (79 FR 8327) to establish a New Equipment Contract and associated Policies for Telecommunications and Broadband Borrowers, RUS Form 395 under 7 CFR Parts 1753 and 1755. RUS Form 395, reflects present business and RUS practices, as well as changes in technology, services and equipment. It has come to the attention of the Agency that the proposed rule published in the *Federal Register* was not clear on how or where to obtain a copy of the proposed new Equipment Contract, RUS Form 395. RUS is issuing this *Request for comments* to provide an opportunity for interested persons to obtain a copy of the new RUS Form 395 for their review and comment. The information collection and recordkeeping requirements associated with the new RUS Form 395 and its associated forms were submitted to OMB on February 12, 2014 and filed with comment.

The purpose of this undertaking is to improve the customer service provided by RUS's rural telecommunications and broadband borrowers. Changes in competition, legislation, technologies, and regulation have resulted in changes to business practices in the communications industry. In response to these changes RUS has undertaken a comprehensive review of its Telecommunications and Broadband Programs' contracts and contracting procedures.

The new Equipment Contract, RUS Form 395 and the associated close-out documents (Forms 395a, 395b, 395c and 395d) will replace the current Equipment Specific Contracts, RUS Forms 397, 398, 525, 545, and the associated close-out documents (Forms 231, 396, 396a, 517, 744, 752, 752a, and 754). The contract terms and obligations included in the new RUS Form 395, Equipment Contract, reflect current RUS and private sector industry practices, as well as changes in technology, services and equipment. The intent here is to streamline the contractual process

for RUS borrowers and expedite the process of approving equipment procurement during RUS funded construction projects.

Date July 29, 2015.

Brandon McBride

Administrator

Rural Utilities Service

[FR Doc. 2015-25045 Filed: 9/30/2015 08:45 am; Publication Date: 10/1/2015]